

Closed Session I A – February 7, 2005

At 5:25 p.m. the Board adjourned to closed session to discuss matters relating to the location or expansion of business in the area, pursuant to NCGS 143-318.11(a)(4). Commissioners Holmes, Kemp, Frye, Lanier and Davis were present, as well as County Manager Frank Willis; County Attorney Alan Pugh; Cheryl Ivey, Deputy Clerk; Bonnie Renfro and Melissa Foust from Randolph County Economic Development Corporation (EDC); and David Townsend, III, Public Works Director.

Melissa Foust told the Board that Hubbell Industrial Controls of Archdale wishes to purchase 2 new product lines through acquisition and to construct a research and development facility:

- DC Contactor Product Line—used for electrical braking of locomotive engines (production currently located in Quebec)
- Pressure Switch Product Line—used in air compressors manufacturing that service the commercial/industrial markets (production currently located in Mexico)
- Research and Development Facility—an additional 5,000 sq. ft. new construction of high powered test lab to be used for development work on new product and sustaining existing product

The company is considering 2 sister plants in 2 states and has required \$500,000 in facility improvements. The company has steadily held their employment at about 90 employees on one shift over the years. The facility is mainly a components assembly and wiring operation with some metal fabrication and machining. The Archdale facility is currently under capacity by about 35% with about 25,000 sq. ft. of unutilized production space. Although this allows opportunity for growth, future consolidations are likely and without this expansion leave the operation in great jeopardy. These 2 new product lines are high volume assembly and a very nice complement to the existing Archdale facility. Both lines are similar to the bench assembly now in Archdale and both lines will remain on one shift. New investment is projected at \$4,910,591. About 150 new jobs can be expected (about 119 immediately and the remaining filled over 12-24 months). Many of these jobs are high-end positions with an average wage of \$579 per week without benefits.

To offset the facility improvements necessary for implementation of new lines Ms. Foust suggested an incentives package of \$150,000 (\$97,500 from the County and \$52,500 from the City of Archdale). Ms. Foust recommended a performance-based cash incentives package paid over 4 years.

Upon consensus, the Board directed Ms. Foust to proceed with the EDC's recruitment of this company's expansion plans with the proposed incentive package.

Closed session on this topic ended at 5:40 p.m.

J. Harold Holmes, Chairman

Darrell L. Frye, Vice Chairman

Phil Kemp

Robert B. Davis

Arnold Lanier

Cheryl A. Ivey, Deputy Clerk to the Board

Approved: March 1, 2005 Unsealed: January 1, 2006